

Project Tracking No.:

IOWAccess Advisory Council

Return on Investment (ROI) Program Funding Application

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FINAL AUDIT REQUIRED: The Enterprise Quality Assurance Office of the Information Technology Enterprise is required to perform post implementation outcome audits for all Pooled Technology funded projects and may perform audits on other projects.

This is an IOWAccess Revolving Fund Request.

Amount of funding requested: \$25,000 (Design)

Anticipated total: \$125,000

Section I: Proposal

Date:	October 25, 2007
Agency Name:	Iowa Department of Economic Development (IDED)
Project Name:	Business License Information Center (BLIC)
Agency Manager:	Sherry Timmins, Regulatory Assistance Coordinator, IDED
Agency Manager Phone Number / E-Mail:	515.242.4901 sherry.timmins@iowalifechanging.com
Executive Sponsor (Agency Director or Designee):	Mike Tramontina, Director
IOWAccess Project Process Phase:	<input type="checkbox"/> Scope Analysis <input checked="" type="checkbox"/> Design <input type="checkbox"/> Implementation

A. Project Summary: Describe the nature and use of the proposed project, including what is to be accomplished, how it will be accomplished, and what the costs and benefits will be.

1. [Implement available technologies to the on-line Business License Information Center \(BLIC\) to ensure timely, accurate, and comprehensive access to compliance requirements and assistance.](#)

2. Enable citizens, businesses and communities to have 24/7 access for accurately and quickly searching and identifying state of Iowa compliance requirements and resources across the state government enterprise and to successfully navigate and link to applicable regulatory agency web sites.

B. Strategic Plan: How does the proposed project fit into the strategic plan of the requesting agency?

Statutory Mission 15.101. “The mission of the Iowa department of economic development is to enhance the economic development of the state and provide for job creation and increased prosperity and opportunities for the citizens of the state by providing direct financial and technical assistance and training to businesses and individuals and by coordinating other state, local, and federal economic development programs.”

Project Applicability: The project directly supports IDED’s mission by ensuring accurate and complete information and technical assistance is made available to all Iowans. The proposed project directly enhances Iowa’ competitive business climate by:

- ▶ Enhancing service to existing and prospective business
- ▶ Reducing unnecessary regulatory delays
- ▶ Reducing costs of compliance
- ▶ Increasing business focus on core activities rather than compliance
- ▶ Increasing compliance rates

Small Business Impact: Improving accessibility of regulatory information will enhance the ability of business to operate efficiently in Iowa, but the services provided by BLIC are especially important to small and medium sized businesses, whose resources to independently develop information about the complexities of regulatory compliance are limited.

The Small Business Administration (SBA) reports that “entrepreneurs, innovators, and small business are key players in the economy in Iowa. They make up most of the employer firms in the state and their contribution is indispensable and they are an expanding sector in Iowa: According to 2004 U.S. Census data reports that Iowa small business payroll was \$17.7 billion; a five percent increase from the prior year.”

C. Current Technology: Provide a summary of the technology used by the current system. How does the proposed project impact the agency’s technological direction? Are programming elements consistent with a Service Oriented Architecture (SOA) approach? Are programming elements consistent with existing enterprise standards?

Outmoded Technology: The current BLIC system uses 1997 technology. When the electronic system was first implemented it represented a major innovation in the application of technology for enhancing access to information which is often elusive and confusing to persons doing business in Iowa. By today's technology standards however, BLIC's interface does not reflect innovations which have been developed in the electronic, web-based delivery of information. A few examples include:

- The BLIC system requires a user to answer 21 activity questions in order to direct their search.
- The BLIC search function is very weak. A "fuzzy search logic" component which intuitively how and what the user is seeking are very much needed.
- Identifying a business type by the NAICS classification system is time consuming and frustrating.
- Iowa Department of Agriculture and Land Stewardship DALS information is not up to date or complete.
- Improvements are needed in guiding business users on State of Iowa Web sites to BLIC when they are searching for compliance information and resources.

To realize the full potential of BLIC to simplify and shorten the task of locating licensing and permitting information for users, it is time to incorporate new technologies.

D. Statutory or Other Requirements

Is this project or expenditure necessary for compliance with a Federal law, rule, or order?

YES (If "Yes", cite the specific Federal law, rule or order, with a short explanation of how this project is impacted by it.)

Not applicable.

Is this project or expenditure required by state law, rule or order?

X YES

15E.17 REGULATORY INFORMATION SERVICE.

"**IDED shall provide a regulatory information service. The purpose of the service shall be to provide a center of information where a person interested in establishing a commercial facility or engaging in a commercial activity may be informed of any registration, license, or other approval of a state regulatory agency that is required for that facility or activity or of the existence of standards, criteria, or requirements which the laws of this state require that facility or activity to meet.**

Each state agency which requires a permit, license, or other regulatory approval or maintains standards or criteria with which an activity or facility must comply shall inform IDED of the following: activity or facility that is subject to regulation; existence of any threshold levels which would exempt the activity or facility from regulation; nature of the regulatory program; any fees; how to apply for any permits or regulatory approvals; and, a brief statement of the purpose of requiring the permit or regulatory approval or requiring compliance with the standards or criteria.

Each state agency shall also promptly inform IDED of any changes in the information provided under the establishment of a new regulatory program. The information provided to or disseminated by the department shall not be binding upon the regulatory program of a state agency; however, a person shall not be subject to the imposition of a penalty for failure to comply with a regulatory program if the person demonstrates that the person relied upon information provided by the department indicating compliance was not required and either ceases the activity upon notification by the regulatory agency or brings the activity or facility into compliance.”

Does this project or expenditure meet a health, safety or security requirement?
x YES (If "YES", explain.)

The Business License Information Center provides a database all state of Iowa compliance requirements administered by regulatory agencies. It is critical that the data base provides accurate and comprehensive compliance information to the user, so the compliance requirements can be fulfilled adequately to ensure all related health, safety and security requirements are completed.

Explanation:

Is this project or expenditure necessary for compliance with an enterprise technology standard?

YES (If "YES", cite the specific standard.)

Explanation:

Not applicable.

[This section to be scored by application evaluator.]

Evaluation (15 Points Maximum)

If the answer to these criteria is "no," the point value is zero (0). Depending upon how directly a qualifying project or expenditure may relate to a particular requirement (federal mandate, state mandate, health-safety-security issue, or compliance with an enterprise technology standard), or satisfies more than one requirement (e.g. it is mandated by state and federal law and fulfills a health and safety mandate), 1-15 points awarded.



E. Impact on Iowa's Citizens

1. Project Participants - List the project participants (i.e. single agency, multiple agencies, State government enterprise, citizens, associations, or businesses, other levels of government, etc.) and provide commentary concerning the nature of participant involvement. Be sure to specify who and how many direct users the system will impact. Also specify whether the system will be of use to other interested parties: who they may be, how many people are estimated, and how they will use the system.

Interested parties – business

Businesses and entrepreneurs currently located in Iowa will benefit from an enhanced BLIC system as they seek to both expand and grow their business. Domestic and international businesses that are located outside of Iowa and are either doing business in Iowa, or considering an Iowa venture will also benefit from having easily accessible information available. In FY 2006, 8454 “hi-paying jobs” were created in Iowa. In FY, 10,000 such jobs are targeted for creation. Businesses associated with these jobs will benefit from an enhanced BLIC system.

Small Business, Women-Owned and Minority Owned Business

Small business whose resources are limited will particularly benefit from an enhanced BLIC system. According to the SBA Office of Advocacy 2004 report:

The total number of small business in Iowa in 2003 was 240,700. Of the 68,737 employer firms, 97.5% or an estimated 67,000 were small firms.

Self-employment by women increased by 15.8%, from 44,597 in 2002, to 51,645 in 2003 and represented 39.1% of self-employed persons in the state.

In 1997, 28.3% or 1,500 of the minority owned business in Iowa were employer firms, and the generated 87.4% of the total minority owned business revenue of \$0.9 billion. There were 1,300 Hispanic-owned business; 1,400 Black-owned businesses; 1,700 Asian and Island Pacific Islander-owned business; and, 900 American Indian and Alaskan Native-Owned businesses.

Iowa Regulatory and Business Assistance Network

Regulatory agencies of state government will also benefit by having an enhanced BLIC system as their regulatory programs and requirements are contained within the BLIC database: These agencies include (but are not limited to):

- Department of Agriculture and Land Stewardship (IDALS) – supports market development and administers regulatory programs

- Department of Commerce, Professional Licensing Division (PLD) – administers professional licensing boards.
- Iowa Department of Cultural Affairs (IDCA), State Historic Preservation Office (SHPO) – evaluate federal projects for potential impact on historic properties.
- Iowa Department of Inspections and Appeals (IDIA) - inspects, licenses, and certifies several entities.
- Iowa Insurance Division (IID) - supervises insurance business and administrator of the securities act.
- Iowa Department of Natural Resources (IDNR) - administers environmental protection programs.
- Iowa Department of Public Health (IDPH) - promotes and protects health of Iowans.
- Iowa Department of Public Safety (IDPS) - licenses or certifies various regulatory programs.
- Iowa Department of Revenue (IDR) administers Iowa tax laws and systems.
- Iowa Department of Transportation (IDOT) – access permits, connection for utilities, performing work within a state highway right-of-way.
- Iowa Secretary of State (ISOS) – business certificates, registrations, and protection of business name and searches.
- Iowa Utilities Board (IUB) - regulatory approvals generation certificate, natural gas pipeline permit, electric line franchise, or flexible rate tariff.
- Iowa Workforce Development (IWD) - workforce development centers, Workers Compensation, Unemployment Insurance, Division of Labor programs.

2. Service Improvements - Summarize the extent to which the project or expenditure improves service to Iowa citizens or within State government. Included would be such items as improving the quality of life, reducing the government hassle factor, providing enhanced services, improving work processes, etc.

The current organization of BLIC information and interface is confusing and difficult for the user. Improving “how” a user interacts with the BLIC system will provide enhanced service to any Iowan considering starting or expanding a business or engaging in a professionally licensed occupation, and needing to know compliance requirements that will apply to their endeavor.

BLIC improvements will help position Iowa as an adept, business oriented partner for industries seeking to expand or locate a business in Iowa. Making compliance information and resources readily available to users decreases the amount of time and frustration in identifying both the compliance requirements and expert available resources.

3. Citizen Impact – Summarize how the project leads to a more informed citizenry, facilitates accountability, and encourages participatory democracy. If this is an

extension of another project, what has been the adoption rate of Iowa's citizens or government employees with the preceding project?

The BLIC data base contains all state of Iowa compliance requirements (registrations, certifications, licenses, and permits). Any Iowan seeking to become fully informed on compliance requirements will be able to easily access the BLIC data base to identify and become knowledgeable on regulatory requirements. The BLIC system will also link to www.iowadminrules.gov which provides in "plain English" how a citizen can interact with Iowa's Administrative Rule process – the primary method state agencies use for implementing regulatory programs.

4. Public Health and/or Safety – Explain requirements or impact on the health and safety of the public.

Compliance requirements implemented accurately helps protect the public's health and welfare.

<p>[This section to be scored by application evaluator.] Evaluation (15 Points Maximum)</p> <ul style="list-style-type: none">• Minimally directly impacts Iowa citizens (0-5 points).• Moderately directly impacts Iowa citizens (6-10 points).• Significantly directly impacts Iowa citizens (11-15 points).	
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<p>[This section to be scored by application evaluator.] Evaluation (10 Points Maximum)</p> <ul style="list-style-type: none">• Minimally improves customer service (0-3 points).• Moderately improves customer service (4-6 points).• Significantly improves customer service (7-10 points).	
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F. Process Reengineering

Provide a pre-project or pre-expenditure (before implementation) description of the impacted system or process. Be sure to include the procedures used to administer the impacted system or process and how citizens interact with the current system.

The current BLIC system can identify for the user the compliance requirements related to the user's specific business activity or professional occupation, as all state of Iowa compliance requirements (with the exception of IDALs information) is contained within the BLIC data base. However, identifying both the business type

and business activities that are regulated, in addition to the related compliance requirements, can be time consuming because the BLIC search function can be confusing and cumbersome.

If the user is unable to use the system on their own, they are more likely to contact the BLIC manager for clarification and direction; resulting in the manager printing out a copy of the requested information and mailing this to the inquirer.

Provide a post-project or post-expenditure (after implementation) description of the impacted system or process. Be sure to include the procedures used to administer the impacted system or process and how citizens will interact with the proposed system. In particular, note if the project or expenditure makes use of information technology in reengineering traditional government processes.

The enhanced BLIC system will utilize technology much improving the ability of the user to identify both their business type and activities, and compliance requirements. This is likely to decrease the number of direct requests for assistance. Citizens will be able to access reliable, accurate information 24/7.

[This section to be scored by application evaluator.]

Evaluation (10 Points Maximum)

- Minimal use of information technology to reengineer government processes (0-3 points).
- Moderate use of information technology to reengineer government processes (4-6 points).
- Significant use of information technology to reengineer government processes (7-10).



G. Timeline

Provide a projected timeline for this project. Include such items as **start date**, planning, database design, coding, implementation, testing, conversion, parallel installation, and date of final release. Also include the parties responsible for each item.

Scope analysis – 3/8/7 – 11/7/7 (IDED/DAS-ITE)

1. Use cases/Process flows
2. ROI
3. Basic Design
4. Design Phase cost estimate
5. Sample mock ups

Design phase – 11/7/7 – 1/11/8 (IDED/DAS-ITE)

1. Completion of mock ups
2. Completion of requirements
3. Completion of detailed design
4. Completion of test plan
5. Completion of Implementation cost estimate

Implementation – 1/11/8 – 3/8 –estimated time frame (IDED/DAS-ITE)

1. Application coding
2. Database setup
3. Data migration
4. System testing
5. Application testing
6. Customer application testing
7. Migration of data
8. Migration to production – Go Live

[This section to be scored by application evaluator.]

Evaluation (10 Points Maximum)

- The timeline contains several problem areas (0-3 points).
- The timeline seems reasonable with few problem areas (4-6 points).
- The timeline seems reasonable with no problem areas (7-10).



H. Funding Requirements

On a fiscal year basis, enter the estimated cost by funding source: Be sure to include developmental costs and ongoing costs, such as those for hosting the site, maintenance, upgrades.

	FY08		FY09		FY10	
	Cost(\$)	% Total Cost	Cost(\$)	% Total Cost	Cost(\$)	% Total Cost
State General Fund	\$0	0%	\$0	0%	\$0	0%
Pooled Tech. Fund /IOWAccess Fund	\$125,000	100%	\$0	0%	\$0	0%
Federal Funds	\$0	0%	\$0	0%	\$0	0%
Local Gov. Funds	\$0	0%	\$0	0%	\$0	0%
Grant or Private Funds	\$0	0%	\$0	0%	\$0	0%
Other Funds (Specify)	\$0	0%	\$0	0%	\$0	0%
Total Project Cost	\$125,000	100%	\$0	0%	\$0	0%
Non-Pooled Tech. Total	\$0	0%	\$0	0%	\$0	0%

[This section to be scored by application evaluator.]

Evaluation (10 Points Maximum)

- The funding request contains questionable items (0-3 points).
- The funding request seems reasonable with few questionable items (4-6 points).
- The funding request seems reasonable with no problem areas (7-10).

I. Scope

Is this project the first part of a future, larger project?

- YES (If "YES", explain.) **No, it is a stand-alone project. "Band-aid" efforts to patch the BLIC system have been made in the past, but not an integrated comprehensive approach.**

Is this project a continuation of a previously begun project?

- YES (If "YES", explain.) **Not applicable.**

[This section to be scored by application evaluator.]

Evaluation (10 Points Maximum)

- This is the first year of a multi-year project / expenditure or project / expenditure duration is one year (0-5 points)
- The project / expenditure is of a multi-year nature and each annual component produces a definable and stand-alone outcome, result or product (2-8 points).
- This is beyond the first year of a multi-year project / expenditure (6-10 points)

The last part of this criteria involves rating the extent to which a project or expenditure is at an advanced stage of implementation and termination of the project / expenditure would waste previously invested resources.

J. Source of Funds

On a fiscal year basis, how much of the total project cost (\$ amount and %) would be absorbed by your agency from non-Pooled Technology and/or IOWAccess funds? If desired, provide additional comment / response below.

IDED will provide ongoing program support for the BLIC system.

[This section to be scored by application evaluator.]

Evaluation (5 Points Maximum)

- 0% (0 points)
- 1%-12% (1 point)
- 13%-25% (2 points)
- 25%-38% (3 points)
- 39%-50% (4 points)
- Over 50% (5 points)

Section II: Financial Analysis

A. Project Budget Table

It is necessary to estimate and assign a useful life figure to each cost identified in the project budget. Useful life is the amount of time that project related equipment, products, or services are utilized before they are updated or replaced. In general, the useful life of hardware is three (3) years and the useful life of software is four (4) years. Depending upon the nature of the expense, the useful life for other project costs will vary between one (1) and four (4) years. On an exception basis, the useful life of individual project elements or the project as a whole may exceed four (4) years. Additionally, the ROI calculation must include all new annual ongoing costs that are project related.

The Total Annual Prorated Cost (State Share) will be calculated based on the following equation:

$$\left[\left(\frac{\text{Budget Amount}}{\text{Useful Life}} \right) \times \% \text{ State Share} \right] + (\text{Annual Ongoing Cost} \times \% \text{ State Share}) = \text{Annual Prorated Cost}$$

Budget Line Items	Budget Amount (1st Year Cost)	Useful Life (Years)	% State Share	Annual Ongoing Cost (After 1st Year)	% State Share	Annual Prorated Cost
Agency Staff	93756	1	100%	82756	100%	
Software	125,000	5	100%			25,000
Hardware						
Training						
Facilities						
Professional Services						
ITE Services						
Supplies, Maint, etc.	3000	1		3000		
Other						
Totals	221,756		100%	85756		25,000

B. Spending plan

Explain how the funds will be allocated.

Funds will be allocated 100% first year from IOWAccess and 100% thereafter by IDED.

C. Tangible and/or Intangible Benefits

Respond to the following and transfer data to the ROI Financial Worksheet as necessary:

Annual Pre-Project Cost - This section should be completed only if state government operations costs are expected to be reduced as a result of project implementation. **Quantify actual state government direct and indirect costs** (personnel, support, equipment, etc.) associated with the activity, system or process prior to project implementation.

Describe Annual Pre-Project Cost:

Pre-project costs include the BLIC program manager, and 20% of a senior manager's time.

Quantify Annual Pre-Project Cost:	State Total
FTE Cost(salary plus benefits):	\$93756
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	\$3000
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	\$0.00
Total Annual Pre-Project Cost:	\$96756

Annual Post-Project Cost - This section should be completed only if state government operations costs are expected to be reduced as a result of project implementation. **Quantify actual state government direct and indirect costs** (personnel, support, equipment, etc.) associated with the activity, system or process after project implementation.

Describe Annual Post-Project Cost:

Post project costs include the BLIC program manager and 50% reduction of time allocated by senior manager.

Quantify Annual Post-Project Cost:

	State Total
FTE Cost(salary plus benefits):	\$82756
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	\$3000

Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	\$0.00
Total Annual Post-Project Cost:	\$85756

3. Citizen Benefit - Quantify the estimated annual value of the project to Iowa citizens. This includes the "hard cost" value of avoiding expenses ("hidden taxes") related to conducting business with State government. These expenses may be of a personal or business nature. They could be related to transportation, the time expended on the manual processing of governmental paperwork such as licenses or applications, taking time off work, mailing, or other similar expenses. As a "rule of thumb," use a value of \$10 per hour for citizen time.

Describe savings justification:

BLIC customer inquiries were tracked for the period of March 1, 2001 to February 28, 2003. Customer assistance requests totaled 7,785. Information packets mailed totaled 4,082. These packets provide the customer compliance information tailored to their specific request, and also include business resource information. Information packets are generated by customer phone calls to the BLIC. This number is used for identifying a potential savings, with the assumption that 50% of these calls (or 2,041) could be reduced by an improved system. (We do not have numbers for information customers printing out their information packets at home.)

Transaction Savings	
Number of annual BLIC packets provided:	4,082
Hours saved/transaction:	4,082/2
Number of Citizens affected:	2,041
Value of Citizen Hour	\$10
Total Transaction Savings:	\$20,041
Other Savings (Describe) – customer requests – 7,785/2 X \$10 each	\$38,925
Total Savings:	\$58,966

4. Opportunity Value/Risk or Loss Avoidance - Quantify the estimated annual non-operations benefit to State government. This could include such items as qualifying for additional matching funds, avoiding the loss of matching funds, avoiding program penalties/sanctions or interest charges, avoiding risks to health/security/safety, avoiding the consequences of not complying with State or Federal laws, providing enhanced services, avoiding the consequences of not

ROI Financial Worksheet	
A. Total Annual Pre-Project cost (State Share from Section II C1):	96756
B. Total Annual Post-Project cost (State Share from Section II C2):	85756
State Government Benefit (= A-B):	11000
Annual Benefit Summary:	
State Government Benefit:	11000
Citizen Benefit:	58996
Opportunity Value or Risk/Loss Avoidance Benefit:	
C. Total Annual Project Benefit:	69996
D. Annual Prorated Cost (From Budget Table):	25000
Benefit / Cost Ratio: (C/D) =	2.79
Return On Investment (ROI): ((C-D) / Requested Project Funds) * 100 =	.35

complying with enterprise technology standards, etc.

Response:

Appendix A. Auditable Outcome Measures

For each of the following categories, list the auditable metrics for success after implementation and identify how they will be measured.

1. Improved customer service

Information will be more readily accessible.

2. Citizen impact

Citizens will have complete and accurate information available 24/7.

3. Cost Savings

Decreasing the amount of “down time” and “frustration” for citizens or business users of BLIC and improving the clarity of information is very values.

4. Project reengineering

5. Source of funds (Budget %)

6. Tangible/Intangible benefits